

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION FOR APPROVAL ) CASE NO. 2006-00136  
OF THE INDIRECT TRANSFER OF )  
CONTROL RELATING TO THE MERGER )  
OF AT&T, INC. AND BELLSOUTH )  
CORPORATION )

**DIECA COMMUNICATIONS, INC. D/B/A COVAD COMMUNICATIONS  
COMPANY'S RESPONSES TO JOINT APPLICANTS'  
SECOND SET OF DATA REQUESTS**

DIECA Communications, Inc. d/b/a Covad Communications Company ("Covad" or "Respondent"), by counsel, hereby submits its Responses to the Second Set of Data Requests propounded by AT&T, Inc., BellSouth Corporation and BellSouth Telecommunications, Inc. (referred to herein collectively as the "Joint Applicants").

**DATA REQUEST NO. 1:** Do you continue to agree that “AT&T will have the financial ability to provide reasonable service in Kentucky pursuant to KRS 278.020(5)” post-merger between the Joint Applicants?

**RESPONSE:** Respondent's answer to this Data Request has not changed since its submission of responses filed May 11, 2006 to Joint Applicants' Initial Data Requests. Therefore, Respondent hereby adopts its Response to Data Request No. 1 of Joint Applicants' Initial Data Requests.

**DATA REQUEST NO. 2:** If the answer to Request No. 1 is anything other than an unqualified yes, state with specificity each and every fact that supports your response.

**RESPONSE:** *See Respondent's Response to Data Request No. 1 above.*

**DATA REQUEST NO. 3:** Do you continue to agree that “AT&T will have the technical ability to provide reasonable service in Kentucky pursuant to KRS 278.020(5)” post-merger between the Joint Applicants?

**RESPONSE:** Respondent's answer to this Data Request has not changed since its submission of responses filed May 11, 2006 to Joint Applicants' Initial Data Requests. Therefore, Respondent hereby adopts its Response to Data Request No. 3 of Joint Applicants' Initial Data Requests.

**DATA REQUEST NO. 4:** If the answer to Request No. 3 is anything other than an unqualified yes, state with specificity each and every fact that supports your response.

**RESPONSE:** *See Respondent's Response to Data Request No. 3 above.*

**DATA REQUEST NO. 5:** Do you continue to agree that “AT&T will have the managerial ability to provide reasonable service in Kentucky pursuant to KRS 278.020(5)” post-merger between the Joint Applicants?

**RESPONSE:** Respondent's answer to this Data Request has not changed since its submission of responses filed May 11, 2006 to Joint Applicants' Initial Data Requests. Therefore, Respondent hereby adopts its Response to Data Request No. 5 of Joint Applicants' Initial Data Requests.

**DATA REQUEST NO. 6:** If your response to Request 5 is anything other than an unqualified yes, state with specificity each and every fact that supports your response.

**RESPONSE:** *See Respondent's Response to Data Request No. 5 above.*

**DATA REQUEST NO. 7:** Do you agree that combined entity's legal obligations under Sections 251 and 252 of the Telecommunications Act of 1996 will remain unchanged after the merger of the Joint Applicants?

**RESPONSE:** The legal requirements are not changed by the merger. The resources available to BellSouth to frustrate the implementation of those requirements, however, will increase significantly.

**DATA REQUEST NO. 8:** If your response to Request 7 is anything other than an unqualified yes, state with specificity each and every fact or theory that supports your response.

**RESPONSE:** *See Respondent's Response to Data Request No. 7 above.*

**DATA REQUEST NO. 9:** Do you agree that this Commission's authority to act under Sections 251 and 252 of the Telecommunications Act of 1996 will remain unchanged after the merger of the Joint Applicants?

**RESPONSE:** The merger does not change the Commission's legal authority.

**DATA REQUEST NO. 10:** If your response to Request 9 is anything other than an unqualified yes, state with specificity each and every fact or theory that supports your response.

**RESPONSE:** *See Respondent's Response to Data Request No. 9 above.*

**DATA REQUEST NO. 11:** Do you agree that the alleged issue of whether “BellSouth fails to provide line sharing at just and reasonable rates in accordance with its Section 271 obligations” currently is being addressed by the Commission in Docket No. 2004-00427.

**RESPONSE:** While an issue in that docket addresses line sharing, only the parties or the FCC can address line sharing on any permanent basis. AT&T offers line sharing via a commercial agreement. To date, BellSouth does not. Why consumers in Texas should have a competitive choice for broadband that consumers in Kentucky do not, and whether encouraging BellSouth's anti-competitive behavior is in the public interest, are not being addressed in Docket No. 2004-00427.

**DATA REQUEST NO. 12:** Do you agree that the alleged issue of whether “BellSouth fails to commingle Section 251 line splitting with all of its wholesale products” currently is being addressed by the Commission in Docket No. 2004-00427.

**RESPONSE:** While the issues of commingling and line splitting are being addressed in that docket, related important issues for this merger review are not. AT&T offers line splitting in connection with its DS0 commercial agreement. To date, BellSouth only offers to commingle those services in a limited number of states (but not in Kentucky). Why consumers in Texas, Georgia and North Carolina should have a competitive choice for broadband that consumers in Kentucky do not, and whether encouraging BellSouth's anti-competitive behavior is in the public interest, are not being addressed in Docket No. 2004-00427.

Submitted to and filed with the Kentucky Public Service Commission this 23rd day of May, 2006.

Respectfully submitted,

/s/ Henry S. Alford

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CERTIFICATE OF SERVICE

Counsel for Respondent DIECA Communications, Inc. d/b/a Covad Communications Company hereby certifies that a true and accurate electronic copy of this filing was transferred to the Commission via the Electronic Filing Center this 23rd day of May, 2006 and filed in hardcopy document form with the Commission also on the 23rd day of May, 2006. Further, consistent with the Commission's Order of April 12, 2006, notice of the filing of this Motion was served via electronic mail on all parties of record. Parties of record can access the information at the Commission's Electronic Filing Center located at <http://psc.ky.gov.efs/efsmain.aspx>.

/s/ Henry S. Alford

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